

## **USDA Charges Wharton Livestock Auction, Inc. and Herman W. (Billy) Schwertner with Unfair and Deceptive Practices**

WASHINGTON, February 22, 2007 - On January 26, 2007, Grain Inspection, Packers and Stockyards Administration (GIPSA) filed a complaint against Wharton Livestock Auction, Inc. (Wharton) and Herman W. (Billy) Schwertner (Schwertner), Wharton, Texas.

Wharton conducts and operates as a posted stockyard subject to the Packers and Stockyards (P&S) Act; is engaged in the business of a market agency selling livestock in commerce on a commission basis; a dealer buying and selling livestock in commerce for its own account or the account of others; is registered as a market agency to sell livestock in commerce on a commission basis; and as a dealer buying and selling livestock in commerce. Schwertner is President and 100% owner and is responsible for the management, direction, and control of Wharton.

GIPSA has evidence that Wharton under the direction, management and control of Schwertner:

- misused its Custodial Account for Shippers' Proceeds by issuing checks drawn on its custodial account to make advances/loans to its auctioneer and not for payment to a consignor, shipper, or anyone entitled to payment; and
- had shortages of funds available to pay shippers their net proceeds.

Failure to file an answer to GIPSA's complaint within the time allowed constitutes an admission of the allegations. If the allegations are admitted, or proven in an oral hearing, Wharton and Schwertner may be ordered to cease and desist from violating the P&S Act and be assessed a civil penalty.

The P&S Act is a fair trade practice and payment protection law that promotes fair and competitive marketing environments for the livestock, meat, and poultry industries.

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